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**ANNUAL AUDITED REPORT
FORM X-17A-5**

PART III

OMB APPROVAL	
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FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 02/28/2013 AND ENDING 12/31/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Elkhorn Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

207 Reber Street, Suite 201

(No. and Street)

Wheaton

(City)

Illinois

(State)

60187

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Philip L. Ziesemer

(630) 384-8707

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

McGladrey LLP

(Name - if individual, state last, first, middle name)

One South Wacker Drive, Suite 800

(Address)

Chicago

(City)

Illinois

(State)

60606

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

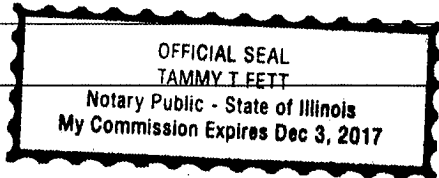
FOR OFFICIAL USE ONLY

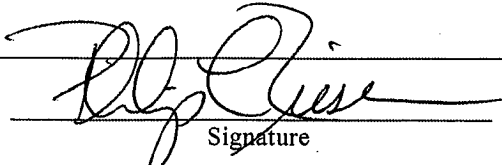
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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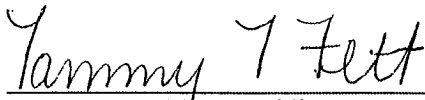
OATH OR AFFIRMATION

I, Philip L. Ziesemer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Elkhorn Securities, LLC, as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:




Signature

Chief Financial Officer
Title


Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

Elkhorn Securities, LLC

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Report of Independent Registered Public Accounting Firm

To the Managing Member
Elkhorn Securities, LLC
Wheaton, Illinois

We have audited the accompanying statement of financial condition of Elkhorn Securities, LLC (the Company) as of December 31, 2014, and the related notes (the financial statement). This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Elkhorn Securities, LLC as of December 31, 2014, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, due to recurring losses and the sufficiency of capital, there is substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

McGladrey LLP

Chicago, Illinois
February 27, 2015

Elkhorn Securities, LLC
Statement of Financial Condition
December 31, 2014

Assets

Cash	\$ 449,567
Accounts receivable	23,003
Prepaid expenses	29,055
Total assets	<u><u>\$ 501,625</u></u>

Liabilities and Member's Capital

Due to parent	\$ 173,383
Accounts payable and accrued expenses	1,063
Total liabilities	<u><u>174,446</u></u>

Member's Capital	327,179
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Total Liabilities & Member's Capital	<u><u>\$ 501,625</u></u>
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See Notes to Statement of Financial Condition



Note 1 - Nature of Business and Significant Accounting Policies

Elkhorn Securities, LLC (the Company), a Delaware limited liability company established on February 28, 2013, is a broker-dealer registered with the Securities and Exchange Commission (SEC). The Company was admitted as a member of the Financial Industry Regulatory Authority on May 9, 2014. The Company is engaged as an introducing broker-dealer for the sale of securities.

The Company is a wholly-owned subsidiary of Elkhorn Capital Group, LLC (the Parent), a Delaware limited liability company. The Company is also an affiliate of Elkhorn Investments, LLC which is also a wholly-owned subsidiary of the Parent and operates as an investment advisor registered with the SEC.

On November 21, 2014, a minority shareholder of the Parent put its equity interest back to the Parent. Consistent with the Parent's operating agreement, the Parent purchased the shares with payment being made over a 5-year period. The Parent and the Company have recurring losses but continue to operate within their existing cash reserves. Management has taken actions to identify a new investor and enable the Company to continue to operate through December 31, 2015. These actions include making available additional capital contributions from current equity holders and the managing member has entered into negotiations with several multi-national financial institutions, venture capital firms and individual investors who are interested in purchasing the equity interest that was put back to the Parent. Management believes that these actions will enable the Company to continue as a going concern through December 31, 2015. If these actions do not result in a new investor(s), there is a substantial doubt of the Company's ability to continue as a going concern.

The Company does not hold customer funds or safe keep customer securities. The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(i) for the period from June 1, 2014 through November 2, 2014 and claimed an exemption from 17 C.F.R. § 240.15c3-3 under the provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(ii) for the period from November 3, 2014 through December 31, 2014. The requirements of paragraph (k)(2)(ii) provide that the Company clear transactions on behalf of customers, on a fully disclosed basis with a clearing broker or dealer and promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves the required books and records. The Company has a fully disclosed clearing relationship with Southwest Securities, Inc. (clearing broker-dealer).

The Company follows Generally Accepted Accounting Principles (GAAP), as established by the Financial Accounting Standards Board (the FASB), to ensure consistent reporting of financial condition, results of operations, changes in member's capital and cash flows. The following is a summary of the Company's significant accounting policies:

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.



Note 1 - Nature of Business and Significant Accounting Policies (continued)

Revenue Recognition: The Company receives distribution fees for business introduced and transacted with other brokers. The distribution fees earned are based upon contractual arrangements and are recorded on the accrual basis.

Income Taxes: The Company is a single member limited liability company and is treated as a disregarded entity for federal tax purposes. The Company does not file a federal tax return, but its taxable income is included as part of the Parent's federal tax return. The Parent is taxed as a partnership under the provisions of the Internal Revenue Code and accordingly, no provision for income tax has been provided for in the accompanying financial statement.

The Company is subject to examination by U.S. Federal and State tax authorities for the years 2013 – 2014.

Note 2 - Related-Party Transactions

The Company, its Parent and Elkhorn Investments, LLC, share personnel, office space and equipment. Shared costs are allocated based on an Expense Sharing Agreement between all of the companies. Expenses allocated from the Parent to the Company are included in the various line items of the statement of operations. As of December 31, 2014, the Company had a payable due to the Parent in the amount of \$173,383, which is presented as due to parent on the statement of financial condition.

The Company had an agreement with a former minority shareholder of the Parent, where the Company distributed, marketed and promoted the shareholder's structured products. This agreement remains in effect, however the shareholder put its equity interest back to the Parent on November 21, 2014 and was not a shareholder as of December 31, 2014.

Note 3 - Balance Sheet and Credit Risk

The Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker-dealer. The clearing broker-dealer carries all of the accounts of the customers of the Company and are responsible for execution, collection and payment of funds and receipt and delivery of securities relative to customer transactions. Off-balance sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker-dealer may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the creditworthiness of its customers.

The Company does not anticipate nonperformance by its customers or its clearing broker-dealer.

The Company's financial instruments that are exposed to concentrations of credit risk include cash. The Company maintains its cash accounts with one financial institution. The total cash balances of the Company are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per bank. From time to time account balances may exceed amounts insured by the FDIC. The Company monitors such credit risk and has not experienced any losses related to such risks.



Note 4 - Indemnifications

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of loss to be remote.

Note 5 - Net Capital

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2014, the Company had net capital of \$298,124 which was \$198,124 in excess of its required net capital of \$100,000. At December 31, 2014, the Company's net capital ratio was .59 to 1.

Note 6 - Subsequent Events

The Company has evaluated subsequent events for potential recognition and/or disclosure through the date this financial statement was issued. On January 30, 2015, the Parent made a \$75,000 capital contribution to the Company and on February 26, 2015, the Parent made a \$75,000 capital contribution to the Company.